

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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AT RICHMOND, JANUARY 8, 2008

2008 JAN -8 P 1:59

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION VIRGINIA POWER

CASE NO. PUE-2007-00111

For a certificate of public convenience
and necessity to construct and operate
a 138 kV Double Circuit Transmission
Line in Wise and Russell Counties

ORDER FOR NOTICE AND COMMENT

On December 3, 2007, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of a proposed 138 kV double circuit transmission line that will connect the Company's proposed coal-fired electric generating facility ("Coal Plant") in Wise County, Virginia, to the existing Clinch River Substation in Russell County, Virginia, owned by Appalachian Power Company ("APCo").¹ Included with the application were an application appendix, a Virginia Department of Environmental Quality ("DEQ") supplement, and direct testimony and exhibits supporting the application.

The proposed double circuit 138 kV transmission line is approximately nine (9) miles long and will adjoin and run parallel to the southern edge of the right-of-way for a new 138 kV transmission line currently being constructed by Old Dominion Power Company ("Old Dominion Power"). The route for the proposed transmission line begins at a new substation that

¹ Dominion Virginia Power filed an application in Case No. PUE-2007-00066 for authority to construct what the Company describes as a carbon capture compatible, clean-coal powered electric generating facility in Wise County, Virginia. The Company's application in this docket, Case No. PUE-2007-00111, requests a certificate of public convenience and necessity to construct a double circuit 138 kV transmission line that will connect the Company's proposed Coal Plant to APCo's existing Clinch River Substation in Russell County.

the Company intends to construct at the site of its Coal Plant in Wise County and runs to APCo's existing Clinch River Substation in Russell County. The proposed transmission line is located outside of Dominion Virginia Power's service territory and runs through approximately 6.6 miles of Old Dominion Power's service territory and approximately 2.4 miles of APCo's service territory. The application appendix represents that Old Dominion Power and APCo do not oppose the Company's proposed transmission line.

The Company's application states that in order for the proposed Coal Plant to begin commercial operation on schedule, the proposed transmission line must be in service by November 1, 2010. According to the Company's application, the proposed in-service date of the transmission line is necessary to give the Company sufficient time to commission and test the Coal Plant transformers, switchgear, station protection and controls, turbine, and generator before the scheduled commercial operation date of the Coal Plant.

The Company's application further states that the proposed transmission line affords the best means of reliability transmitting the output of the Coal Plant to the transmission grid while reasonably minimizing adverse impact on the scenic, environmental, and historical assets of the area. The estimated cost of the Company's proposed transmission line and related facilities is approximately \$19-23 million in 2007 dollars.²

The Company also filed on December 3, 2007, a Motion of Virginia Electric and Power Company for Entry of Protective Order, which would establish procedures for the handling of confidential information contained in the Company's application and other confidential information exchanged during the course of this proceeding.

² The estimated cost of the transmission line does not include the cost to construct the substation at the Company's Coal Plant site or the cost to construct the facilities at the Clinch River Substation required to receive the new line and address any network impacts.

As provided by § 62.1-44.15:21 D 2 of the Code of Virginia ("Code"), the Commission and the State Water Control Board must consult on wetland impacts prior to the siting of electric utility facilities that require a certificate of public convenience and necessity. As required by Section 3 of the Department of Environmental Quality-State Corporation Commission Memorandum of Agreement Regarding Consultation on Wetland Impacts (July 2003) (hereinafter, "Wetland Impacts Memorandum"), entered into pursuant to § 62.1-44.15:21 D 2 of the Code, the Commission Staff advised the DEQ, acting on behalf of the State Water Control Board, that Dominion Virginia Power had filed an application to construct a 138 kV transmission line in Wise and Russell Counties and that consultation was required.³ By letter dated December 18, 2007, the DEQ advised the Commission that the transmission line project, as proposed by Dominion Virginia Power, does not appear to impact state waters, including wetlands. Accordingly, the DEQ stated that a Virginia Water Protection permit is not necessary for this project.⁴

In addition to wetland impacts, § 56-46.1 of the Code provides for the Commission to receive and to consider reports on the proposed facilities from state environmental agencies. The Commission Staff has formally advised the DEQ that Dominion Virginia Power filed an application to construct a 138 kV transmission line in Wise and Russell Counties and requested the DEQ to coordinate an environmental review of the project.⁵ By letter dated December 19, 2007, the DEQ informed the Commission Staff that it would coordinate a review of the

³ Letter of December 6, 2007, from Glenn P. Richardson, State Corporation Commission, to David L. Davis, Department of Environmental Quality, filed in Case No. PUE-2007-00111, Doc. Cont. No. 390487.

⁴ Letter of December 18, 2007, from David L. Davis, Department of Environmental Quality, to Glenn P. Richardson, State Corporation Commission, filed in Case No. PUE-2007-00111, Doc. Cont. No. 391382.

⁵ Letter of December 6, 2007, from Glenn P. Richardson, State Corporation Commission, to Michael P. Murphy, Department of Environmental Quality, filed in Case No. PUE-2007-00111, Doc. Cont. No. 390486.

environmental impact of the proposed transmission line and provide a report no later than February 15, 2008.⁶

The Commission finds that, as provided by §§ 56-46.1, 56-265.2, and related provisions of the Code, this matter should be docketed and that the Company should give notice of its application to interested persons and the public. The Commission further finds that, as required by § 62.1-44.15:21 D 2 of the Code, consultation on wetland impacts has concluded, and the DEQ has commenced its coordinated environmental review of the proposed transmission line. The Commission will therefore establish a procedural schedule for the filing of comments, notices of participation, and requests for hearing on the application. We will also direct the Commission Staff to investigate the application and to file a Report.

The Commission will defer ruling on the Company's motion for entry of a protective order. Rule 5 VAC 5-20-170 of our Rules of Practice and Procedure ("Rules of Practice"), *Confidential information*, requires the Company to provide a copy of the confidential information to Staff counsel assigned to a Commission proceeding and further provides for disclosure to other members of the Commission Staff directly assigned to the proceeding. Consequently, the Staff investigation we order herein may commence immediately without ruling on the Company's motion for entry of a protective order. If other parties participate in this proceeding, the Commission may then address the motion at that time in order to allow all parties an opportunity to address the motion prior to the Commission's ruling on the motion.

⁶ Letter of December 19, 2007, from Ellie Irons, Department of Environmental Quality, to Glenn P. Richardson, State Corporation Commission, filed in Case No. PUE-2007-00111, Doc. Cont. No. 391383.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and other related provisions of Title 56 of the Code, this matter be docketed as Case No. PUE-2007-00111 and all associated papers be filed therein.

(2) As provided by the Rules of Practice, 5 VAC 5-20-80 C, *Public witnesses*, written comments on the application may be filed by March 13, 2008, by either of the following methods:

A. Comments may be submitted in writing to Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Diskettes, compact discs, or any other form of electronic storage medium may not be filed with comments. All correspondence and comments shall refer to Case No. PUE-2007-00111.

Or

B. Comments may be submitted electronically by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

(3) On or before March 13, 2008, any person or entity may file with the Commission Clerk, at the mailing address provided in Ordering Paragraph (2) A, an original and fifteen (15) copies of a notice of participation as a respondent as required by the Rules of Practice, 5 VAC 5-20-80 B, *Participation as a respondent*. A copy shall simultaneously be served on counsel to the Company, Stephen H. Watts, II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030; and Vishwa B. Link, Esquire, Dominion Resources Services, Inc., P.O. Box 26532, Richmond, Virginia 23261. The notice of participation shall be filed and served as required by the Rules of Practice, 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies*

and format. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by the Rules of Practice, 5 VAC 5-20-30, *Counsel*.

(4) On or before March 13, 2008, any interested person desiring a hearing on this matter shall file an original and fifteen (15) copies of a written request for a hearing with the Commission Clerk at the mailing address provided in Ordering Paragraph (2) A. Requests for hearing shall refer to Case No. PUE-2007-00111 and shall identify all issues for consideration at any hearing scheduled by the Commission. The filing of requests for hearing by e-mail or facsimile is not authorized in this proceeding.

(5) Within five (5) business days of receipt of a notice of participation as a respondent as required by Ordering Paragraph (3), the Company shall serve upon the respondent a copy of this Order and a copy of the application, the application appendix, the DEQ supplement to the application, and the Company's direct testimony and exhibits, unless these materials have already been provided to the respondent.

(6) As provided by the Rules of Practice, 5 VAC 5-20-80 D, *Commission staff*, Staff shall participate in this proceeding and conduct an investigation of the Company's application. On or before April 25, 2008, the Staff shall file with the Commission Clerk a Report on its investigation, and the Clerk shall serve a copy on counsel to the Company and any respondents.

(7) In the event the Commission does not rule on the Motion of Virginia Electric and Power Company for Entry of a Protective Order filed on December 3, 2007, and direct otherwise, the Staff shall file a confidential and public version of its Report directed by Ordering Paragraph (6), if necessary, to protect confidential information. At the conclusion of this proceeding, the Staff shall either return all confidential material filed by Dominion Virginia Power to the Company's counsel or file all material in confidential Commission records.

(8) On or before May 5, 2008, the Company may file with the Commission Clerk an original and fifteen (15) copies of any comments to the Staff Report and the comments or requests for hearing from interested persons.

(9) On or before February 14, 2008, Dominion Virginia Power shall serve a copy of this Order on the chairman of the board of supervisors of Wise and Russell Counties and the mayor of every city and town through which the proposed transmission line is to be built. Service shall be made by first-class mail or delivery to the customary place of business of the person served.

(10) On or before February 14, 2008, the Company shall cause to be sent by first-class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (11) of this Order to all owners of property within the route of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing to such persons at such addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance, or treasurer of the county or municipality.

(11) On or before February 14, 2008, the Company shall publish for two (2) successive weeks the following notice and sketch map of the proposed route appearing in Attachment V.A of the application, as display advertising (not classified) in a newspaper or newspapers of general circulation in Wise and Russell Counties:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION VIRGINIA POWER
FOR APPROVAL OF A TRANSMISSION LINE IN
WISE AND RUSSELL COUNTIES, VIRGINIA
CASE NO. PUE-2007-00111

On December 3, 2007, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of a proposed 138 kV double circuit transmission line that will connect

the Company's proposed coal-fired electric generating facility ("Coal Plant") in Wise County, Virginia, to the existing Clinch River Substation in Russell County, Virginia, owned by Appalachian Power Company ("APCo"). Included with the application were an application appendix, a Virginia Department of Environmental Quality supplement, and direct testimony and exhibits supporting the application.

The proposed double circuit 138 kV transmission line is approximately nine (9) miles long and will adjoin and run parallel to the southern edge of the right-of-way for a new 138 kV transmission line that is currently being constructed by Old Dominion Power Company ("Old Dominion Power"). The route for the proposed transmission line begins at a new substation that the Company intends to construct at the site of its proposed Coal Plant in Wise County and runs to APCo's existing Clinch River Substation in Russell County. The proposed transmission line is located outside of Virginia Power's service territory and runs through approximately 6.6 miles of Old Dominion Power's service territory and approximately 2.4 miles of APCo's service territory. The application appendix represents that Old Dominion Power and APCo do not oppose the Company's proposed transmission line.

The Company's application states that in order for the proposed Coal Plant to begin commercial operation on schedule, the proposed transmission line must be in service by November 1, 2010. According to the Company's application, the proposed in-service date of the transmission line is necessary to give the Company sufficient time to commission and test the Coal Plant transformers, switchgear, station protection and controls, turbine, and generator before the scheduled commercial operation date of the Coal Plant.

The Company's application further states that the proposed transmission line affords the best means of reliability transmitting the output of the proposed Coal Plant to the transmission grid while reasonably minimizing adverse impact on the scenic, environmental, and historical assets of the area. The estimated cost of the Company's proposed transmission line and related facilities is approximately \$19-23 million in 2007 dollars.

A description of the route for the proposed transmission line follows:

The proposed route of the transmission line parallels and adjoins the southern edge of the right-of-way for the Virginia

City - Clinch River transmission line now under construction by Old Dominion Power Company. Beginning at Old Dominion Power Company's Virginia City substation in Wise County, Virginia, the proposed route for the transmission line parallels Route 655, heading in a northeasterly direction for approximately 0.3 mile. The proposed line then turns and crosses Route 655 at approximately 0.75 mile north of its intersection with Route 63. After crossing Route 655, the proposed line heads east and northeast for approximately 0.85 mile. The proposed line then crosses Route 676 at approximately 0.97 mile north of its intersection with Route 63. After crossing Route 676, the proposed line runs in a northeasterly direction continuing toward the Russell County border. Before the Russell County border, the proposed line crosses Route 628 at approximately 1.11 miles northeast of its intersection with Route 63. After crossing into Russell County, the proposed line heads approximately 1.24 miles in the same northeast direction, and then turns southeast and crosses Route 63 at approximately 0.93 mile southwest of its intersection with Route 870. Immediately before crossing Route 615 at approximately 0.51 mile south of its intersection with Route 732, the proposed line heads southeast. Route 628 is crossed approximately 0.26 mile northeast of its intersection with Route 717. The proposed line continues towards the southeast for approximately 0.34 mile, and then turns northeast and crosses Route 614 at approximately 0.15 mile southeast of its intersection with Route 628. The proposed line crosses Route 628 approximately 0.01 mile north of its intersection with Route 665. The proposed line continues northeast for approximately 0.40 mile until the proposed line turns southeast. The final road crossing is Route 665 at approximately 0.66 mile southwest of its intersection with Route 616. The total length of the transmission line is approximately 9 miles.

All distances and directions are approximate. A sketch map of the proposed route accompanies this notice. The Commission may consider a route not significantly different from the route described in this notice without additional notice to the public.

The Company's application, Commission Orders, and all documents filed in Case No. PUE-2007-00111 may be inspected in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours. The application, unofficial text of the Commission's Orders, and

other materials in Case No. PUE-2007-00111 may be viewed at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

Copies of the application and other supporting materials may also be inspected during regular business hours at the following locations:

Dominion Virginia Power
Riverside Building, 5th Floor
120 Tredegar Street
Richmond, Virginia 23219
Attention: Courtney R. Fisher

Wise County Government Building
206 East Main Street, Suite 223
Wise, Virginia 24293-0570
Attention: Mr. Glenn "Skip" Skinner
County Administrator

Russell County Government Building
137 Highland Drive
Lebanon, Virginia 24266
Attention: Mr. James Gillespie
County Administrator

Comments may be submitted in writing, on or before March 13, 2008, to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Diskettes, compact disks, or any other form of electronic storage medium may not be filed with comments. All correspondence shall refer to Case No. PUE-2007-00111.

OR

Comments may be submitted electronically, on or before March 13, 2008, by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>. Persons commenting electronically need not file comments in writing with the Clerk.

On or before March 13, 2008, any interested person may file a request for a hearing with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Requests shall refer to Case No. PUE-2007-00111 and should identify all issues for consideration in any hearing scheduled by the Commission. The filing of requests

for hearing by e-mail or facsimile is not authorized in this proceeding.

Interested persons, organizations, corporations, and government entities may participate in this case as respondents as provided by the State Corporation Commission Rules of Practice and Procedure, 5 VAC 5-20-10 *et. seq.* An organization, corporation, or government entity participating as a respondent must be represented by counsel as required by the State Corporation Commission Rules of Practice and Procedure, 5 VAC 5-20-30, *Counsel*. A notice of participation as a respondent in this case must be filed with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, by March 13, 2008, in conformity with the State Corporation Commission Rules of Practice and Procedure, 5 VAC 5-20-80 B, *Participation as a respondent*, and the requirements set by the Commission's Order for Notice and Comment entered in this proceeding. A copy of the notice of participation must be served on counsel for Dominion Virginia Power: Stephen H. Watts, II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030; and Vishwa B. Link, Esquire, Dominion Resources Services, Inc., P.O. Box 26532, Richmond, Virginia 23261. Any person, organization, corporation, or government entity considering participation as a respondent should review the Commission Order for Notice and Comment in this proceeding.

The Commission Rules of Practice and Procedure, the unofficial version of the Commission's Order for Notice and Comment, and other information may be viewed at <http://www.scc.virginia.gov/caseinfo.htm>. An official copy of the Commission's Order for Notice and Comment may be obtained from the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

**VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION VIRGINIA POWER**

(12) On or before April 3, 2008, the Company shall file with the Commission Clerk a certificate of the mailing of notice prescribed by Ordering Paragraph (9). The certificate shall include the name and address of the officials served.

(13) On or before April 3, 2008, Dominion Virginia Power shall file with the Commission Clerk a certificate of mailing of the notice to owners of property prescribed by Ordering Paragraph (10).

(14) On or before April 3, 2008, Dominion Virginia Power shall file with the Commission Clerk proof of the newspaper publication directed by Ordering Paragraph (11).

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Stephen H. Watts, II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030; Vishwa B. Link, Esquire, Senior Counsel, Dominion Resources Services, Inc., P.O. Box 26532, Richmond, Virginia 23261; C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Divisions of Energy Regulation, Economics and Finance, and Public Utility Accounting.